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INTELLIGENCE COMMUNITY STAFF

13 November 1985

To: Mr. Keith Hall, Professional Staff Member, Senate Select Committee on Intelligence

From: [redacted] Chief Legislative Liasion STAT

Subject: DCI Letter to Senator Stevens on House Appropriations Committee Actions On FY 1986 NFIP Budget

Attached is the subject letter which might be of use for the letter that you are preparing for the Chairman and Vice Chairman. Also attached is an "unclassified" version of the letter that we prepared for Susan's use when the bill gets to the Senate floor. I know you wanted something more specific, and I hope to get that to you early tommorrow, but the Admiral thought this might also be useful.

Regards,

[redacted] STAT

INFORMATION

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In their recently released unclassified report on the FY 1986 budget request, the House Appropriations Committee stated that ". . . the funds recommended are adequate to support a viable National Foreign Intelligence Program in the forthcoming fiscal year." I must register strenuous objection to this statement. The reduction contained in the House bill, which is nearly three times the reduction Intelligence has already taken as a result of the Authorization process, would cause irreparable damage to the intelligence community and jeopardize their ability to contribute to our national security.

The Committee is not unaware of the fiscal pressures currently facing both the nation and the Congress and stand ready to face the challenge, however, I am compelled to state that the nation cannot afford to sustain the type of cuts proposed by the House and expect to maintain a viable intelligence posture.

In many instances the Intelligence Community is viewed within the overall national security context. While this is generally appropriate, all too often inappropriate linkages are fashioned, especially in the fiscal arena. The House action on the FY 1986 request is, I believe, a direct result of a "proportionality linkage," that is, whatever actions are taken on Defense are transferable to intelligence. To a degree, this is understandable due to the inclusion of large portions of intelligence within the overall DoD budget, but this perception can lead to dangerous consequences. Without good intelligence we will not know where best to apply our limited national resources, in either an economic, political or military sense. Critical governmental policy decisions in a constrained fiscal environment call for far more, not less, intelligence to maximize return on investments in other areas of our national economy. I submit that linkage of the type manifest in the House action displays either a callous disregard for or a lack of elementary understanding of this nation's intelligence posture.

The spate of unallocated or omnibus reductions during this year's process has been carried over to the intelligence portion of the FY 86 budget request by the House Appropriations Committee. Not only are these arbitrary reductions harmful, they are based upon incomplete or outdated data. Reductions to procurement and RDT&E appropriations for allegedly poor obligation rates used data several months old. Obligation rates for intelligence programs have substantially increased since July 1985. Loss of the funds now would severely disrupt efforts already under contract. Additionally, failure of the Senate to restore the full amount of the pay reduction as authorized by the HPSCI and SSCI would severely impact upon the Community's ability to operate and maintain existing systems and functions. Neither the most favorable economic assumptions nor the most stringent efficiencies and economies could affect such a reduction without severe programmatic impact.

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